

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

Issued by the Department of Transportation on the 25th day of August, 2004

Essential air service at

BRADFORD, PENNSYLVANIA JAMESTOWN, NEW YORK

under 49 U.S.C. 41731 et seq.

Docket OST-2003-14528 Docket OST-2003-14950

ORDER ALLOWING EARLY TERMINATION OF SERVICE

Summary

By this order, the Department is allowing Air Midwest to terminate all scheduled service at Bradford, Pennsylvania and Jamestown, New York, after October 2, 2004, before the end of the carrier 90-day notice period, provided that Colgan Air's service is fully in place at that time.

Background

By Order 2003-9-2, issued September 5, 2003, the Department selected Colgan Air, Inc., d/b/a US Airways Express (Colgan), to provide essential air service at Bradford, Pennsylvania, and Jamestown, New York, for a two-year period. Subsidy was set at \$1,003,874, for two years, for service consisting of, for Jamestown, 13 nonstop and 6 one-stop round trips per week to Pittsburgh, and for Bradford, 6 nonstop and 13 one-stop round trips per week to Pittsburgh. All service was to be operated with 30-seat Saab 340B aircraft under a US Airways code-share agreement. That order concluded a carrier selection proceeding that was initiated when Air Midwest, d/b/a USAirways Express (Air Midwest),¹ filed 90-day notices under 49 U.S.C. 41734 of its intention to terminate service at the communities.²

Following the issuance of the Department's order selecting Colgan Air to replace Air Midwest at Bradford and Jamestown, Air Midwest and its parent company, Mesa Air Group, elected to continue to serve the communities, so Colgan never began service.

¹ Air Midwest is a subsidiary of Mesa Air Group, Inc.

² In response to the notices filed by Air Midwest to terminate service, the Department issued orders requiring the carrier to maintain service while carrier replacement cases could be processed. The orders requested proposals from carrier interested in providing replacement air service. (See Orders 2003-4-3 and 2003-6-11.) The Department also issued orders establishing final subsidy rates for Air Midwest's required service pending final Department action of the carrier selection cases. (See Orders 2003-6-31 and 2003-7-8.)

As a result, The Department issued Order 2003-11-6, dated November 13, 2003, terminating the subsidy rates for Air Midwest set by Order 2003-3-31 for service at Bradford, and by Order 2003-7-8 for service at Jamestown, effective immediately. That order also stated that if Air Midwest subsequently decided to terminate service at Bradford and Jamestown during that two-year period, and no other carrier had commenced scheduled service, the service and subsidy levels authorized by Order 2003-9-2 for Colgan would automatically become effective.

Notices Filed by Air Midwest to Terminate Service at Bradford and Jamestown On August 4, 2004, Air Midwest filed 90-day notices to terminate service at Bradford and Jamestown and a request to suspend service early, effective October 8, 2004. The carrier states that the transition of service has been coordinated with Colgan in an organized and orderly

that the transition of service has been coordinated with Colgan in an organized and orderly manner so that the communities would receive uninterrupted service.

Since Air Midwest's proposed termination date of October 8 was less than 90 days after it submitted its notice, we advised the carrier that, in accordance with long-standing practice, we would not allow such early termination unless and until both communities had advised the Department in writing that the early termination was acceptable.

Responses to Notices

By letter dated August 16, 2004, the Airport Director of the Bradford Regional Airport, on behalf of the City of Bradford and the Airport Authority, advised the Department that both parties had no objection to Air Midwest's termination of service before expiration of the 90-day notice period. The Director further stated that the decision was contingent on an organized and coordinated transition between Mesa and Colgan so that the community would receive uninterrupted service into the Saab 340B.

By letter dated August 18, the Director of the Chautauqua County Department of Public Facilities stated that Chautauqua County does not have a problem with Colgan taking over the route on October 3.

Finally, Colgan submitted a letter on August 19 stating that it was indeed willing to commence service at Bradford and Jamestown and that it had already been in contact with representatives of Air Midwest and officials of both communities to arrange for the transition. However, the best transition date for Colgan is October 3, and Air Midwest is agreeable to that date.

Decision

Both the Bradford and Jamestown communities have stated that they have no objection to Air Midwest's early termination of service after October 2, and Colgan has indicated its willingness to commence service at both communities on October 3 in accordance with the terms and conditions set forth in Order 2003-9-2. We therefore have decided to allow Air Midwest to terminate service at Bradford and Jamestown on less than 90-days' notice, effective after October 2, 2004, provided that Colgan's service is fully in place at that time. As set forth in that order, Air Midwest and Colgan should continue to coordinate the carrier transition and we expect

Air Midwest to contact all travelers holding reservations for flights that it intends to suspend, to inform them of the suspension and of the availability of Colgan's service, and to assist them in arranging alternate transportaion.

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

- 1. The Department allows Air Midwest, d/b/a USAirways Express to terminate service at Bradford, Pennsylvania, and Jamestown, New York, provided that Colgan Air, Inc., d/b/a US Airways Express has inaugurated service at the communities in accordance with the terms and conditions of Order 2003-9-2;
- 2. The Department allows Air Midwest, d/b/a USAirways Express to terminate service at Bradford, Pennsylvania, and Jamestown, New York, as provided for in ordering paragraph 1 above, on less than 90-days' notice, effective after October 2, 2004;
- 3. These dockets will remain open until further order of the Department; and
- 4. We will serve copies of this order on the mayors and airport managers of Bradford, Pennsylvania, and Jamestown, New York; the New York and Pennsylvania Departments of Transportation, Air Midwest, Inc., and Colgan Air, Inc.

By:

KARAN K. BHATIA

Assistant Secretary for Aviation and International Affairs

(SEAL)

An electronic version of this document is available on the World Wide Web at http://dms.dot.gov